

## Contract Terms and Conditions

**Event Question:** Will [party] win a majority in the United States House of Representatives in the [year] general election?

**Product Code:** HORC

**Instructions:** The US House of Representatives is composed of 435 Representatives. Every even numbered year, these Representatives are up for election. Citizens vote in the general election, with the candidate in each congressional district receiving the majority of votes becoming the Representative-elect. The general election is held on the first Tuesday in November of the election year, unless the first Tuesday is November 1<sup>st</sup>, in which case the election is held on the second Tuesday. On January 3<sup>rd</sup> of each odd numbered year, the US Congress convenes and new Representatives are sworn in. The list of current Representatives is published to Congress.gov the following business day at 7:00AM CT. Congress.gov is the official website of the U.S. Congress. The political party whose members hold at least 218 seats is considered to be “in control” of the House of Representatives.

**Underlying:** The underlying is the political party whose members control at least 218 seats in the US House of Representatives on January 3<sup>rd</sup> of the year following a Congressional election. The list of US Representatives at the convening of each Congress is published to Congress.gov the following business day. The list of Representatives can be accessed [Here](#). The above link is provided for informational purposes only, the US Government may determine to publish the list of Representatives in a different location at any time.

**Source Agency:** Congress.gov

**Minimum Tick:** The Minimum Tick size for the referred Contract shall be \$0.01

**Listing Cycle:** ForecastEx will list one expiration of the US House of Representatives Control Forecast Contract at any time. This contract will correspond to the next Congressional Election cycle.

**Thresholds:** For each contract expiration, one threshold will be listed.

**Position Accountability:** The position accountability level is 250,000 Forecast Contracts in any one Forecast Market.

**Last Trading Time:** 11:59:59 PM CT on the day two days prior to Resolution Time.

**Payout Criteria:** The Settlement Value of each US House of Representatives Control Forecast Contract is \$1.00 or \$0 depending on the Outcome of the Event Question. If the Outcome of the Event Question is “Yes”, then holders of the “Yes” Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the “No” Position will receive \$0.00. If the

Outcome of the Event Question is “No”, then holders of the “No” Position will be entitled to receive the Settlement Value of \$1.00 per contract and holders of the “Yes” Position will receive \$0.00.

**Resolution Time:** 7:00AM CT on January 4<sup>th</sup> of the year following the general election when the list of Representatives is published to Congress.gov.

**Changes in Resolution Time:** The Resolution Time of a Contract is dependent on the date that new Representatives are sworn in and the time the current member list is published to Congress.gov. There are circumstances where ForecastEx may change the Resolution Time of a Contract. If the date that the Congress convenes is delayed, the publication to Congress.gov is delayed, or there is ongoing litigation which could change the party holding a majority of seats in the US House of Representatives, ForecastEx will delay the Resolution Time of the Contract until such time as the control of the US House of Representatives is clarified and the list of Representatives is published to Congress.gov. In this case, ForecastEx would release a public notice to its website informing Market Participants that the Resolution of the Contract has been delayed and release a second notice to its website informing Market Participants when the contract ultimately resolves.

**Expiration Time:** Same as Resolution time.

**Settlement Time:** Settlement for Resolved US House of Representatives Control Forecast Contracts will occur after Resolution Time at 1:00 PM CT that same Business Day in accordance with ForecastEx Rule 603(b)(3).

**Trading Restrictions:** In Accordance with ForecastEx Rule 509, the following Persons are prohibiting from entering Bids or executing Pairs in US House of Representatives Control Contracts:

- Non-US Residents
- Candidates and paid staff on campaigns for US Congress.
- Candidates for any other elected federal or statewide public office.
- The existing US President and paid White House Staff.
- Existing Members of Congress and their paid staff.
- Paid employees of national party organizations, including the Republican National Committee and Democratic Congressional Campaign Committee.
- Paid employees of Political Action Committees and “Super PACs”
- Paid employees of major polling organizations. This prohibition does not apply to all employees of an organization that contains a polling division.
- Immediate family members, parents, and other household members of any of the above.
- Any of the above listed institutions themselves.